

Memorandum

To: Panel Members Date: May 22, 2003

From: Dolores Kendrick, Manager
Peter DeMauro, General Counsel Analyst: E. Wadzinski

Subject: One-Step Agreement for **The Right Way Computer Training Center**
(www.therightwayschool.com)

CONTRACTOR:

- Multiple Employer: Training Agency
- Training Project Profile: Job Creation: Training of Unemployed Workers
- Legislative Priorities: Displaced/Potentially displaced workers
- Type of Industry: Services Medical Front Office and Billing
- Repeat Contractor: No
- Union Representation: No
- Name and Local Number of Union representing workers to be Trained: None of the core group of employers is represented by a collective bargaining unit.

CONTRACT:

- Program Costs: \$186,750
- Substantial Contribution: \$0
- Multiple Employer Support (8%) \$11,952
- Total ETP Funding: \$198,702
- In-Kind Contribution: \$100,000
- Maximum Contractor Charge: \$0 per trainee
- Reimbursement Method: Fixed-Fee and Negotiated Rate
- County(ies) Served: Los Angeles
- Duration of Agreement: 24 months

SUBCONTRACTORS:

None.

THIRD PARTY SERVICES:

The Contractor states consultants are not being used.

NARRATIVE:

The Right Way Computer Training Center (The Right Way), located in Gardena, has been serving the South Bay since 1981. The school retrain corporate employees and provides job skills to the under-skilled and unemployed in local communities which include the following employers: AT&T, Hughs, Northrop, TRW, FAA, Mattel, U.S. Department of Defense and several surrounding local offices.

This entity is eligible to contract with the Panel under Unemployment Insurance Code Section 10205(c)(2) and Title 22, California Code of Regulations (CCR), Section 4400 (z) as a training agency.

The Right Way is a fully licensed, private post-secondary school, specializing in vocational training and certificate programs. They are registered with the Bureau of Private Postsecondary & Vocational Education (BPPVE) and the Accrediting Council for Continuing Education and Training (ACCET), an entity which validates the quality of educational programs offered by The Right Way.

The prospective Contractor reports that due to the growth in the medical arena, there is an ongoing shortage of entry-level medical front office and medical billing coding specialists. With professional and structured training, individuals can become skilled professionals and be provided job opportunities in an industry where career paths exist and where there is room for advancement.

Employer Demand

Due to sustained growth in the medical arena, there is an ongoing shortage of entry-level medical front office and medical billing/coding specialists. Healthcare employers need workers who are knowledgeable in computer applications and proficient with the use of medical forms, terminology and medical software to function in a medical front office. To gain these skills requires training in concepts, fundamentals, terminology, principles and practical training which The Right Way will provide to new hire trainees.

In determining the employer need for training, The Right Way is utilizing a healthcare advisory committee that provides continuous feedback, guidance and direction concerning current and future employer demands. It works with advisory members to input industry demands into the curriculum. The applications that will be taught are medical billing softwares used industry wide. Trainees are exposed to Alta Point, Medisoft and Lytec, but Medisoft is taught in the classroom because it is the leading industry standard software used for Medical billing and coding procedures. Employers in the medical and healthcare arenas provide feedback and evaluation that enables The Right Way to revise and update the curriculum. In addition, The Right Way has found that most medical offices require that the new hires have good front office computer skills as well as medical billing skills. All core employers, to justify the training, have stated that they need good updated front office and billing staff to make the offices more efficient and productive.

NARRATIVE: (continued)

Recruitment of participating employers consists of several methods. The Right Way maintains full-time staff members dedicated to marketing its program. A strategic plan utilizing its database of former clients coupled with distribution of marketing materials and web-based information to new companies results in job listings. The school also maintains a relationship with a network of local community organizations such as The South Los Angeles Economic Development Partnership, Los Angeles County Economic Corporation, the Mayor's Office of Economic Development, local government and faith-based service organizations. Specialized mailings and public service presentations detailing the services offered by The Right Way continually flood businesses within the service area.

Justification of High Cost

The Right Way is proposing to train new hires at a cost of \$3,192 to \$4,788 per trainee. This is based on the Fixed-Fee rate of \$15 per training hour for 200 training hours and the negotiated rate of \$11.25 per training hour for 300 or 400 training hours, with an additional eight percent allowable support costs to support the recruitment of trainees, job development and placement services. The applicant has willingly accepted the negotiated rate of \$11.25 per hour for the trainees with 300 and 400 hours. These amounts are more than double the ETP average cost of \$3,078.

The applicant states that training hours are directly related to the complexity of the work, coupled with the fact that some trainees have no background or experience. Training is half classroom and half monitored laboratory practice. A large portion of the training is comprised of fundamentals, concepts and principles of medical billing/coding and front office activities. Extensive time is also given to each trainee to assimilate medical software and terminology. Trainees will be given the opportunity to work on computers in a hands-on environment from the beginning of their career activities. The 400-hour curriculum is designed to equip trainees with a mastery of fundamentals to advance them to a more complex level of medical billing/coding.

The applicant states that the New Hire training program will enable trainees (with no experience) when placed to receive at least \$10.00 to \$12.00 an hour in Los Angeles County. Trainees with more advanced skills will be placed in the 200 or 300-hour curriculum and expect placement wages of \$13.00 to \$15.00 an hour. Trainees in these occupations have significant wage increases after one year of training to \$16.00 to \$18.00 per hour, and after two years of training to \$19.00 to \$25.00 per hour.

In-Kind Contribution

The in-kind contribution for this project is \$100,000 and includes \$78,000 from "core" participating employer and \$22,000 from the applicant for training-related costs not covered by ETP funding. Six of the seven participating employers have agreed to provide, before trainees are hired, externship training averaging 120 hours per trainee. The "core" group of participating employers will also provide each trainee, at the completion of training, from 36 to 160 hours of on-the-job (OJT) training. The participating employers have also agreed to provide administrative services and ongoing assessments of the trainee's progress and offer feedback to The Right Way.

Contractor contributions include training for a minimum of 80 hours to a maximum of 160 hours for all 51 trainees prior to ETP enrollment. This training is not included in the ETP Agreement. These classes include Introduction to Computers, Windows 98, Business English and Math, Typing Fundamentals, Employment Preparation Workshop, Resume Service and Bilingual Medical Terminology.

NARRATIVE: (continued)

COMMENTS:

The Right Way Computer Training Center agrees that during ETP-funded training hours, trainees will not produce products or provide services which will ultimately be sold for a profit.

PROPOSED ACTION:

Staff recommends that the Panel approve this One-Step Agreement if funds are available and the project meets Panel priorities. This recommendation is based on The Right Way Computer Training Center's intention to provide long-term jobs with potential career paths in the healthcare services industry to unemployed workers.

TRAINING PLAN:

Grp/Trainee Type	Types of Training	No. Retain	No. Class/Lab Videocnf. Hrs	No. CBT Hrs	No. SOST Hrs.	Cost per Trainee	Hourly Wage after 90 days
New Hire Jobs 1 - 3	Commercial Skills	51	200 – 400	0	0	\$3,192 - \$4,788	\$10.00 - \$16.00
						<u>Range of Hourly Wages</u> \$10.00 - \$16.00	
						<u>Prevalent Hourly Wage</u> \$13.00	
						<u>Average Cost per Trainee</u> \$3896	
<u>Health Benefit used to meet ETP minimum wage:</u> N/A						<u>Turnover Rate</u> 20%	<u>% of Mgrs & Supervisors to be trained:</u> N/A

CURRICULUM

Right Way Computer Training Center
Training Curriculum
Job #1

200 hours Class/Lab Training

Trainees will receive one or more of the following:

Commercial Skills

- **Medical Terminology 1**
- **Medical Terminology 2**
- **Medical Terminology 3**
- **Medical Terminology 4**
- **Medical Insurance Claim Forms**
- **Medical Billing Codes**
- **Medical Billing/Medisoft 1**
- **Medical Billing/Medisoft 2**

Occupations:

Medical Billing/Coding Specialist

Right Way Computer Training Center
Training Curriculum
Job #2

300 hours Class/Lab Training

Trainees will receive one or more of the following:

Commercial Skills

- Word Processing Concepts for the Medical Front Office
- Spreadsheet Concepts for the Medical Front Office
- Database Concepts for the Medical Front Office
- Medical Terminology 1
- Medical Terminology 2
- Medical Terminology 3
- Medical Terminology 4
- Medical Insurance Claim Forms
- Medical Billing Codes
- Medical Billing/Medisoft 1
- Medical Billing/Medisoft 2

Occupations:

Medical Billing/Coding Specialist
Medical Front Office Specialist

Job #3

400 hours Class/Lab Training

Trainees will receive one or more of the following:

Commercial Skills

- Principles of the Computerized Medical Front Office
- Word Processing Concepts for the Medical Front Office
- Spreadsheet Concepts for the Medical Front Office
- Database Concepts for the Medical Front Office
- Medical Terminology 1
- Medical Terminology 2
- Medical Terminology 3
- Medical Terminology 4
- Medical Insurance Claim Forms
- Medical Billing Codes
- Medical Billing/Medisoft 1
- Medical Billing/Medisoft 2
- Principles of Computerized Accounting for Medical Front Office Using Quickbooks and Peachtree

Occupations:

Medical Billing/Coding Specialist
Medical Front Office Specialist

**Participating Employers in Retrainee/New Hire
Multiple Employer Contracts**

Contractor's Name: The Right Way Computer Training Center

CCG No.ET03-0340:

Reference No: 03-0168

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PRINT OR TYPE

Company: Aarchan Joshi, M.D.

Address: 520 Prospect Avenue, Ste. 203

City, State, Zip: Redondo Beach, CA 90277

Contact Person/Title: Marion Andrade, Office Manager

Telephone No.: (310) 376-8850

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained or hired under this Agreement: 1

Total # of full-time company employees worldwide: 9

Total # of full-time company employees in California: 9

Company: Linda E. Schack, M.D.

Address: 3400 Lomita Blvd., Ste. 300

City, State, Zip: Torrance, CA 90505

Contact Person/Title: Jeanie Sullivan, Office Manager

Telephone No.: (310) 225-4353

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained or hired under this Agreement: 1

Total # of full-time company employees worldwide: 4

Total # of full-time company employees in California:4

Company: Platinum Home Care Services

Address: 11282 Washington Blvd., Ste 209

City, State, Zip: Culver City, CA 90230

Contact Person/Title: Lu Colgrove, President

Telephone No.: (310) 398-3222

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained or hired under this Agreement: 2

Total # of full-time company employees worldwide: 3

Total # of full-time company employees in California:1

**Participating Employers in Retrainee/New Hire
Multiple Employer Contracts**

Contractor's Name: The Right Way Computer Training Center

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PRINT OR TYPE

Company: St. John's Wellchild and Family Center

Address: 515 West Adams Boulevard

City, State, Zip: Los Angeles, CA 90007

Contact Person/Title: James Mangia, CEO

Telephone No.: (213) 749-0947

Collective Bargaining Agreement(s): N/A

Estimated #of employees to be retrained or hired under this Agreement: 2

Total # of full-time company employees worldwide: 37

Total # of full-time company employees in California: 37

Company: Synapse, Inc.

Address: 18436 Hawthorne Blvd., Ste 202

City, State, Zip: Torrance, CA 90504

Contact Person/Title: Elsa Richardson, Vice President

Telephone No.: (310) 698-3720

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained or hired under this Agreement: 1

Total # of full-time company employees worldwide: 20

Total # of full-time company employees in California: 4

Company: United Life Home Health

Address: 15605 Carmenita Road, Ste. 100

City, State, Zip: Santa Fe Springs, CA 90670

Contact Person/Title: Lu Colgrove, President

Telephone No.: (310) 398-3222

Collective Bargaining Agreement(s): N/A

Estimated # of employees to be retrained or hired under this Agreement: 3

Total # of full-time company employees worldwide: 15

Total # of full-time company employees in California: 15

**Participating Employers in Retrainee/New Hire
Multiple Employer Contracts**

Contractor's Name: The Right Way Computer Training Center

CCG No.ET03-0340:

Reference No: 03-0168

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Company: Urgent Care Medical Associated Inc.

Address: 4305 Torrance Boulevard, Ste. 106

City, State, Zip: Torrance, CA 90503

Contact Person/Title: Nancy L Newton, Administrator

Telephone No.: (310) 371-7980

Collective Bargaining Agreement(s): N/A

Estimated #of employees to be retrained or hired under this Agreement: 2

Total # of full-time company employees worldwide: 2

Total # of full-time company employees in California: 2